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PROGRAM News

STATION WTOP Radio

DATE December 31, 1984 6:30 AM CITY Washington, DC

SUBJECT CIA's Troubles

JOHN LINKLER: Nineteen Eighty-Four was not a good year for the CIA.

Correspondent Robert Shackne reports the spy agency's policies in Central America got the agency in a lot of trouble primarily on Capitol Hill.

ROBERT SHACKNE: The year began with the Reagan Administration convinced that its policy of using the CIA to support the covert war in Nicaragua was working. Congress was supplying funds at a rate of 50 million dollars a year, the Army of the so-called Contras was growing to 15,000 guerrillas, and the Sandinista government in Managua seemed less and less able to suppress the U.S. supported rebellion.

But, the year ended with much of that policy in shambles. The future of the Contra army is now uncertain. The funds are cutoff. Congress is angry, and the CIA is publicly embarrassed.

It turned out that some of the supposed successes of the Contras were independent CIA-orchestrated operations in which the anti-Communist Nicaraguans have played no part. Some of the more controversial operations attributed to the Contras, like mining Nicaraguan harbors, were "Made in USA" stamped. The operations had been directed and independently controlled by the CIA.

And when all of this became public, much to the CIA's embarrassment, it created a fire storm in Congress.

Chairman Barry Goldwater of the Senate Intelligence Committee used profanity in a letter to CIA Director William Casey, complaining he has been blindsided, that Casey had failed to keep Congress informed as he should have about the mining.

The Administration was no longer able to maintain the fiction that its purpose in Nicaragua was limited to halting the flow of arms across the border from neighboring El Salvador.

And then came the added embarrassment, the revelation that the CIA had published a guerrilla warfare manual for the Contras that recommended the use of terrorism and appeared to recommend assassination.

By year's end, Congress had cutoff all U.S. funds for the Contra army. The United States finds itself internationally embarrassed as a defendant before the World Court in the Netherlands on a complaint by Nicaragua, and Contra leaders are warning that without funds their war effort will be in trouble.

Robert Shackne, CBS News, Washington.